

Honorable Corey Johnson
Speaker of the Council
City Hall
New York, New York 10007
Attention: Jonathan Etricks

May 24, 2021

Re: JOE Uptown LLC.YR15.FY21
Block 1718, Lot 134
Block 1915, Lot 51
Block 1916, Lots 9 and 13
Block 1940, Lot 128
Block 2118, Lot 56
Block 2123, Lot 89
Block 2144, Lot 38
Manhattan, Community District No. 10 and 12
Council District No. 7, 9, and 10

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains eight multiple dwellings that are part of a larger project known as JOE Uptown LLC.YR15.FY21 and which provide rental housing for low income families.

Under the proposed project, JOE Uptown CATCH Housing Development Fund Company, Inc. ("HDFC") will acquire the Exemption Area and JOE Uptown LLC ("Company") will be the beneficial owner and will operate the Exemption Area. The HDFC and the Company (collectively, "Owner") will finance the acquisition and rehabilitation of the Exemption Area with loans from HPD, the New York City Housing Development Corporation ("HDC"), and a private lending institution. The Owner, HPD and HDC will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

A portion of the Exemption Area currently receives an exemption from and/or abatement of real property taxation pursuant to Section 489 of the Real Property Tax Law ("J-51 Benefits"). In order to ensure the continued affordability of the Exemption Area, HPD is requesting an Article XI exemption for the Exemption Area that will be reduced by an amount equal to any concurrent J-51 Benefits.

HPD respectfully requests that the Council approve, pursuant to Section 577 of the Private Housing Finance Law, an exemption from real property taxation as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - a. "Company" shall mean JOE Uptown LLC or any other entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.
 - b. "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or ii) the date that either (A) HPD and the Owner, or (B) HPD, HDC and the Owner, enter into the Regulatory Agreement.
 - c. "Exemption" shall mean the exemption from real property taxation provided hereunder.



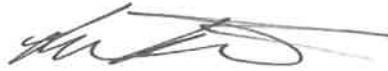
- d. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1718, Lot 134, Block 1915, Lot 51, Block 1916, Lots 9 and 13, Block 1940, Lot 128, Block 2118, Lot 56, Block 2123, Lot 89, and Block 2144, Lot 38 on the Tax Map of the City of New York.
 - e. "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) years from the Effective Date, (ii) the date of the expiration or termination of the Regulatory Agreement, or (iii) the date upon which the Exemption Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.
 - f. "HDC" shall mean the New York City Housing Development Corporation.
 - g. "HDFC" shall mean JOE Uptown CATCH Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - h. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - i. "J-51 Benefits" shall mean any tax benefits pursuant to Section 489 of the Real Property Tax Law which are in effect on the Effective Date.
 - j. "Owner" shall mean, collectively, the HDFC and the Company.
 - k. "Regulatory Agreement" shall mean the regulatory agreement between either (i) HPD and the Owner, or (ii) HPD, HDC and the Owner, that is executed on or after March 1, 2021 and that establishes certain controls upon the operation of the Exemption Area during the term of the Exemption.
2. All of the value of the property in the Exemption Area, including both the land and any improvements (excluding those portions, if any, devoted to business, commercial, or community facility use), shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.
3. Notwithstanding any provision hereof to the contrary:
- a. The Exemption shall terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the Regulatory Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of any other agreement with, or for the benefit of, the City of New York, (iv) any interest in the Exemption Area is conveyed or transferred to a new owner without the prior written approval of HPD, or (v) the construction or demolition of any private or multiple dwelling on the Exemption Area has commenced without the prior written consent of HPD. HPD shall deliver written notice of any such determination to Owner and all mortgagees of record, which notice shall provide for an opportunity to cure of not less than sixty (60) days. If the noncompliance specified in such notice is not cured within the time period specified therein, the Exemption shall prospectively terminate.
 - b. The Exemption shall apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that exist on the Effective Date.



- c. Nothing herein shall entitle the HDFC, the Owner, or any other person or entity to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
4. In consideration of the Exemption, the owner of the Exemption Area shall, for so long as the Exemption shall remain in effect, waive the benefits of any additional or concurrent exemption from or abatement of real property taxation which may be authorized under any existing or future local, state, or federal law, rule, or regulation. Notwithstanding the foregoing, (a) nothing herein shall prohibit the granting of any real property tax abatement pursuant to Sections 467-b or 467-c of the Real Property Tax Law to real property occupied by senior citizens or persons with disabilities, and (b) the J-51 Benefits shall remain in effect, but the Exemption shall be reduced by the amount of such J-51 Benefits.

HPD recommends approval of this matter and requests that it be referred to the appropriate committee at the next scheduled meeting of the Council.

Sincerely,



Louise Carroll

NYC



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